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would create an interest in the bonds in the

these people of which are justly responsible for the debt, but whose early and complete restoration to the status quo would give them no incentive to do so, and who, therefore, needed aid in their effort to build up again their own prostrate country. It would put an end to all discussions and doubts in regard to the kind of currency in which such bonds were to be paid, to all complaints of exclusive privileges, and place the public credit on a basis worthy a nation whose resources, young as it is, are almost boundless. The only thing that might reduce its resources the present are but an insignificant fraction.

The bonds, the issue of which is thus recommended, will be sold by warrants to the government and five per cent of the holders, which is a low rate of authority as can be expected to prevail in the United States for many years to come.

The practicability of converting the existing consolidated debt into gold-bearing bonds at an earlier date than at an earlier date, the Secretary entertains no doubt.

It is, therefore, respectfully recommended that the following plan be adopted:

That the Secretary of the Treasury to issue six per cent gold-bearing bonds, to be known as the consolidated debt of the United States, in the sum of \$100,000,000, or as much, as may be deemed advisable, as an earlier redemption, to be exchanged at par for any and all other obligations of the government one-sixth part of the interest on the said consolidated debt shall be paid in advance of the payment, shall be reserved by the government and paid over to the State according to population.

The following is a statement of the public debt on the 1st of July, 1867:

DEBT BEARING GOLD INTEREST.	
per cent bonds.....	\$195,481,350
per cent bonds, 1881.....	15,181,141
per cent bonds, 1891.....	282,740,250
per cent bonds, 1901.....	127,754,925
Navy pension fund.....	15,000,000
Total.....	\$1,637,500,641

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MAJORING NOT PRESENTED FOR PAYMENT.	
year 7.30 notes, due August 1, 1867.....	\$3,371,100
Compound interest notes, maturing June 15, 1867.....	262,100
Gust. 15 and October 15, 1867.....	9,316,100
Treasury notes, since July 1, 1861.....	1,000,000
Treasury notes, April 15, 1862.....	143,601
Treasury notes, March 3, 1863.....	1,000,000
Certificates of indebtedness.....	84,000
Total.....	\$1,637,500,641

DEBT BEARING NO INTEREST.	
United States notes.....	\$375,164,844
Fractional currency.....	30,708,633
Gold certificates of deposit.....	14,514,200
Total.....	\$402,387,677

Total debt.....	
Amount in Treasury, coin.....	\$2,025,002,848
Amount in Treasury, currency.....	135,095,399
Amount of debt, less cash in Treasury.....	\$2,491,604,400

The following is statement of receipts and expenditures for the fiscal year ending June 30, 1867:

Receipts from the customs.....	
Receipts from the customs.....	\$179,417,810
Direct tax.....	4,129,370
Interest revenue.....	4,200,235
Miscellaneous sources.....	260,027,537
Total.....	\$420,834,852

Expenditures for the civil service.....	
Pensions and Indians.....	\$51,110,027
War Department.....	95,224,415
Navy Department.....	13,034,011
Interest on the public debt.....	14,781,091
Total.....	\$474,320,120

Receipts from loans.....	
Reduction of loans.....	\$103,923,013
The following is a statement of receipts and expenditures for the quarter ending September 30, 1867:	
Receipts from customs.....	\$48,081,097
Lands.....	287,400
For direct tax.....	447,079
Internal revenue.....	83,754,925
Miscellaneous sources.....	19,261,462
Total.....	\$121,107,928

Expenditures for the civil service.....	
Pensions and Indians.....	\$12,152,248
War Department.....	10,484,476
Navy Department.....	5,870,704
Interest on the public debt.....	\$8,515,940
Total.....	\$39,020,220

Receipts from loans.....	
Reduction of loans.....	\$103,923,013
The Secretary estimates the receipts and expenditures for the three quarters ending June 30, 1868, will be as follows:	
Receipts from customs.....	\$118,500,000
Lands.....	700,000
Internal revenue.....	185,000,000
Miscellaneous sources.....	\$5,000,000
Total.....	\$299,000,000

The expenditures for the same period are estimated as follows:-	
For pensions and Indians.....	\$15,000,000
For the War Department, including \$25,000,000 for military operations.....	\$22,000,000
For the Navy Department.....	\$10,000,000
For the interest on the public debt.....	\$114,000,000
Total.....	\$299,000,000

Leaving a surplus of estimated receipts over estimated expenditures of.....	
The receipts and expenditures for the next fiscal year, ending June 30, 1869, are estimated as follows:-	
Receipts from customs.....	\$120,000,000
Internal revenue.....	200,000,000
Lands.....	1,000,000
Miscellaneous sources.....	\$30,000,000
Total.....	\$351,000,000

The expenditures for the same period are estimated as follows:-	
For pensions and Indians.....	\$15,000,000
For the War Department, including \$25,000,000 for military operations.....	\$22,000,000
For the Navy Department.....	\$10,000,000
For the interest on the public debt.....	\$130,000,000
Total.....	\$277,000,000

Leaving a surplus of estimated receipts over estimated expenditures of.....	
The foregoing estimate leaves a surplus on the general average of the receipts and expenditures for the past nine months. The Secretary is hopeful, however, that Congress will take measures to largely reduce expenditures, and thereby secure a steady reduction of the debt may be continued.	
In regard to the national debt, and the necessity of its reduction, the Secretary has the honor to say, in his report of 1865, remarked:-	
We need not be anxious that future generations shall share the burden with us. We are not at an end, and we have no right to leave behind us a legacy of debt for their own creation.	
The importance as this experience is out of place. The plain, beaten path of experience is the only safe one to tread.	
There is a great difference, in the management of a matter of so pressing interest, that the right action should be taken, and nothing less than a fixed policy for the reduction of the public debt will be likely to prevent its increase.	
Since the first day of September, 1863, the debt has been reduced \$200,185,121. Now, if the reduction could be continued while the industry of one-third part of the country, by reason of the war and without the aid of the political affairs, has been exceedingly depressed, and the other two thirds have, by no means, been able to do more than keep pace with the war, and had made, notwithstanding the liberal miscellaneous appropriations by Congress, the payment of bounties for the soldiers of the army and navy, and the maintenance of our forces upon the frontier and in the Southern States, there be any good reason why the reduction, so successfully commenced under the most judicious circumstances, should be interrupted until every dollar of it is extinguished?	
The Secretary indulges the hope that the nation which has labored so long and hard with this debt, in his judgment, is so essential to the national credit, if not to the preservation of republican institutions, that it will be found expedient to make the most diligent efforts to pay. The longer the debt is carried on, the more odious do they become. If the present generation should throw the burden of the debt upon the next, it will be a legacy of debt, and a curse to the nation.	
Very intelligent gentleman of Massachusetts, who shows how soon the debt may be paid by the regular income of the country, and the rate of three per cent upon the principal of a regular salary.	

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